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The banner features the IRIS logo in blue with the tagline "Integrated Reporting Is Simple". To the right, it says "One Convenient ISO Portal" and "30+ Integrations." in orange. A green button with white text says "Learn More" and the phone number "888-870-9978" is displayed below it.

August 10, 2015

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## Global card losses will exceed \$35 billion by 2020, says The Nilson Report

10 Aug 15 | Author Ben Rabinovich (<http://www.paymenteye.com/author/benr/>) | Insights & Analysis (<http://www.paymenteye.com/category/insights-analysis/>) | Cards (<http://www.paymenteye.com/tag/cards/>) | Security (<http://www.paymenteye.com/tag/security/>)

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According to The Nilson Report ([http://www.businesswire.com/news/home/20150804007054/en/Global-Card-Fraud-Losses-Reach-16.31-Billion#.Vch\\_sPIViko](http://www.businesswire.com/news/home/20150804007054/en/Global-Card-Fraud-Losses-Reach-16.31-Billion#.Vch_sPIViko)), the top trade newsletter covering the card and mobile payment industries, fraud losses incurred by banks and merchants on all credit, debit, and prepaid cards reached \$16.31 billion last year when global card volume totaled \$28.844 trillion.

That works out to every \$100 in volume having 5.65¢ that was fraudulent.

According to the report, fraud actually grew by nearly 20 per cent and that growth outpaced volume, which only grew by 15 per cent.

Almost half of card fraud losses were accounted for by the US – 48.2 per cent or \$7.86 billion of gross card fraud losses worldwide, whilst generating only 21.4 per cent or \$6.187 trillion of total volume.

US fraud losses equaled 12.75¢ for every \$100 in total volume last year. Fraud in all other regions combined was only 3.73¢ per \$100.

David Robertson, publisher of The Nilson Report, said that the reason for the US making up nearly half of global card fraud was due to “the lack of an EMV-compliant infrastructure”.

Half of the card fraud losses in the US were actually due to counterfeit cards, something that is made much harder by EMV technology.

Of the total \$16.31 billion lost to fraud last year, card issuers worldwide absorbed 62%. Merchants accounted for the other 38 per cent. In the U.S., card issuers lost \$4.91 billion and merchants lost \$2.95 billion. Those losses do not include related costs issuers and merchants incur.

As for the future, card fraud worldwide between 2015-2020 is expected to total \$183.29 billion. In 2020, global card fraud will exceed \$35.54 billion. Losses in cents per every \$100 in total volume will rise to 5.74¢ in 2015 before falling to 5.26¢ in 2020.

Issuers from all other regions suffered counterfeit losses last year, although not always in their home countries. Europe’s issuers were hit because criminals skimmed the magnetic stripes from the backs of cards to generate fraud on counterfeit cards they created for use at U.S. merchants. Local market counterfeiting continues to plague issuers in Asia-Pacific and Latin America, where criminal gangs are growing in number.

Issuers worldwide were impacted by data breaches in their regions. In EMV-compliant countries, stolen primary account numbers usually result in card-not-present (CNP) fraud. In Asia-Pacific, CNP fraud accounted for more than 70% of all fraud losses last year due to rapid growth in CNP sales. Asia-Pacific saw a higher increase in fraud losses last year than the U.S., even though merchants in the region are far more likely to decline authorizations for fear of fraud compared to U.S. merchants.

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